



**LINK**Group

---

LF Havelock  
Global Select  
**Value Assessment**

December 2019



# Value Assessment

## What is a Value Assessment?

We are required by our regulator, the Financial Conduct Authority (“FCA”) in our capacity as Authorised Corporate Director (“ACD”), to assess and report on the value of our funds to investors.




Our assessment of value, which also uses independently sourced market data, looks at a number of criteria relating to; investment performance, costs and quality of service and will determine whether our funds offer value to investors compared with the market or whether corrective action is required, or has been taken.

<b>Company</b>	LF Havelock London Investment Funds (the “Company”)
<b>Fund</b>	<b>LF Havelock Global Select</b> (the “Fund”)
<b>Authorised Corporate Director</b>	Link Fund Solutions Limited (the “ACD”)
<b>Investment Manager</b>	Havelock London Limited
<b>Investment Objective</b>	The Fund aims to achieve investment growth (net of fees) over 3 – 5 years
<b>Comparator Benchmark</b>	IA Flexible Investment Sector
<b>IA Sector</b>	Flexible Investment (the “Sector”)
<b>Assessment Period</b>	01 January 2019 – 31 December 2019

# Executive Summary

- **LF Havelock Global Select** (“the Fund”) launched in August 2018 with one share class available for investment.
- The Fund is in the growth phase of its investment lifecycle. It is aimed at investors who are expected to hold shares for a minimum of 3 years.
- While the Fund has not reached its recommended holding period since launch, the Fund has outperformed its Comparator benchmark since launch by 2.86%.
- We actively monitor the costs of the Fund and find them to be lower than the Sector’s middle value.

We have assessed the Fund based on seven key assessment criteria and grouped these into 3 core categories: Quality, Performance and Cost. Using these assessment criteria, as detailed below, we (as ACD) have sought to establish whether the Fund provides overall value to investors.

Metric	Quality	Performance	Cost
<b>Assessment Criteria</b>	<ul style="list-style-type: none"> <li>• Quality of service</li> </ul>	<ul style="list-style-type: none"> <li>• Investment objective/ Investment performance</li> </ul>	<ul style="list-style-type: none"> <li>• Overall costs</li> <li>• Economies of scale</li> <li>• Comparable market rates</li> <li>• Comparable services</li> <li>• Classes of shares</li> </ul>
<b>Rating</b>			
<b>No corrective action required.</b>			



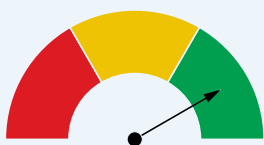
## Conclusion

Based on our assessment, we determined that the Fund provides overall value and therefore has been given a green rating. We believe there is no action required at this stage. We will continue to monitor all aspects of the Fund with the aim of ensuring it continues to meet its objective and delivers overall value to investors.

# Quality

In order to assess Quality, we reviewed the operation and management of the Fund against agreed service levels. The service provision includes a review of the following key elements:

- The timely and accurate calculation of the Fund prices and income payments to investors
- Accessibility, accuracy and use of plain language in Fund documentation and investor communications
- Timely and accurate production and distribution of investor statements
- Ensuring trading activities are within Fund guidelines
- The level of, and timely response to, complaints from investors

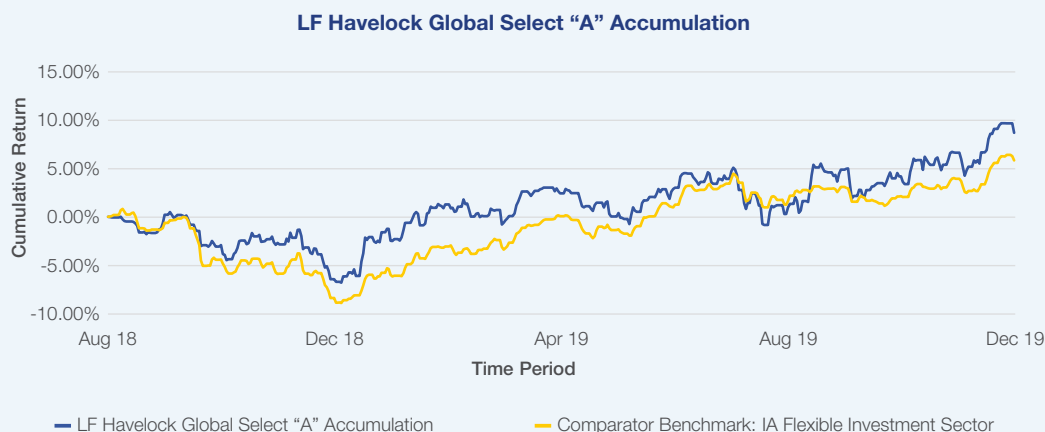


## Conclusion

Following our review of the criteria above, we have not identified any material issues that ultimately affect the quality of service, and therefore, conclude that the Fund offers overall value when assessing quality. We continue to review our processes and keep investors updated with any changes to the Fund.

# Performance

In order to assess Performance, we reviewed the Fund's objective and performance since launch. The graph and table below shows the performance of the Fund's primary share class against its Comparator Benchmark.



Primary Share Class	Time Period	Rating	Performance over the Time Period	Performance vs Comparator Benchmark
"A" Accumulation	Since launch		8.70%	+2.86%
	1 year		15.33%	-0.31%

\* Past performance is not a guide to future performance

## Conclusion

Following our review, we have determined that the Fund has been managed in accordance with its investment objective and policy. Whilst the Fund has delivered a positive return, ahead of its Comparator Benchmark since launch, it has slightly underperformed its Comparator Benchmark over the assessment period. We will continue to monitor the performance of the Fund, however, we do not feel any action is required at this time. We have therefore determined that in terms of performance the Fund is offering value to investors.



# Costs

In order to assess Costs, we reviewed the Total Charge of the Fund, market competitiveness and investor/share class suitability over the assessment period.

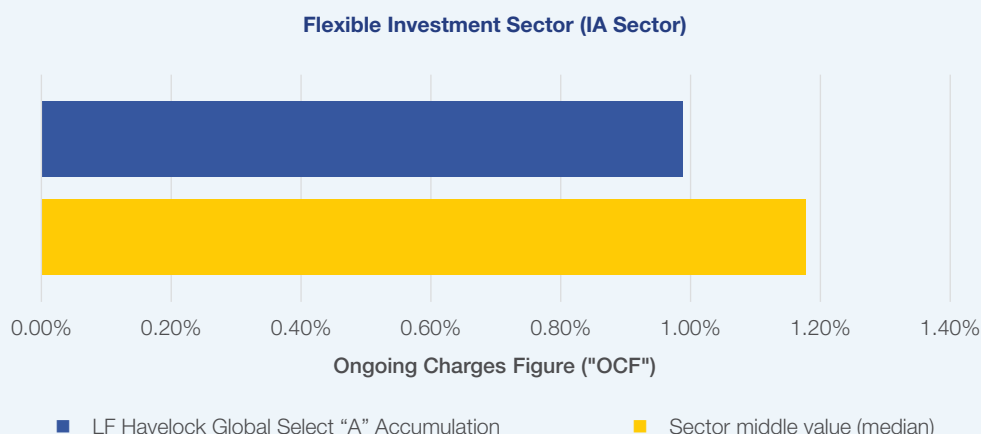
We actively monitor costs charged to the Fund against similar funds, including those operated by us, to ensure that it seeks to maintain competitive market rates.

The Total Charge of the Fund's share class is capped at the level shown in the table below. Any

cost in excess of the Total Charge Limit are borne by the Investment Manager, not investors. Should the costs be lower than the Total Charge Limit then investors in the Fund will only pay the lower amount.

We based our analysis on the Fund's only share class, "A" Accumulation. For this exercise, we have compared the Total Charge Limit of the Fund against the Ongoing Charges Figure ("OCF") of similar funds. The Total Charge Limit includes transaction costs incurred by the Fund, which aren't normally included in the OCF.

The Total Charge of this share class is lower than the OCF of similar funds, as shown in the graph below.



- For Economies of scale:**

We have assessed the total costs charged to the Fund and have determined that current available benefits, as a result of economies of scale, including the capped Total Charges, have been passed on to investors. As part of our ongoing oversight of the Fund, we work with the aim of ensuring investors continue to benefits from any future economies of scale.

- For Comparable Market Rates:**

We looked at the Total Charge Limit of the Fund and compared it against the OCF of similar funds.

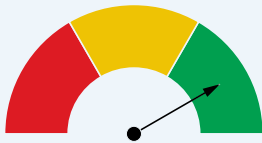
Share Class	Minimum Initial Investment*	Annual Management Charge ("AMC")	Total Charges	Target Market
"A" Accumulation	£1,000	0.70%	0.99%	Retail Investors

\* We may waive the minimum initial investment levels at our sole discretion.

# Costs continued

- **For Classes of shares:**

As the Fund has one share class, meaning all investors pay the same costs, there are no concerns over the appropriateness of share classes offered to investors in the Fund.



## Conclusion

Following our review, we have concluded that the Fund's share class cost is lower than the Sector's middle value. We determined there are no concerns over share class suitability as there is only one share class and current available benefits of economies of scale, including the Total Charge Limit, have been passed on to investors, where possible. Based on our review of cost, we have concluded the Fund offers value to investors.

# Glossary

## Annual Management Charge (“AMC”)

An ongoing fee paid to the management company for managing the Fund, usually charged as a percentage of the Fund’s value.

## Authorised Corporate Director (“ACD”)

A corporate body and an authorised person given powers and duties under the Financial Conduct Authority regulations to operate an Open Ended Investment Companies Fund.

## Cost

Cost is defined by reviewing overall costs, Economies of scale, Comparable market rates and Classes of Shares. The assessment looks at each of the four criteria individually to define value:

1. Overall costs: the total ongoing charges of the Fund.
2. Economies of scale: assesses whether any area of savings and benefits from the increase in scale or size in assets under management have been passed onto the investor.
3. Comparable market rates: compares the price charged for investing in the Fund against similar funds.
4. Classes of shares: assessing pricing of a share class against those of other share classes within the same Fund, and the points of differentiation of these share classes.

## Cumulative Return

Shows the aggregated return from an investment over a specific time period.

## Comparator Benchmark

A benchmark is a standard against which the performance of the Fund can be measured.

## Flexible Investment

The funds in this sector are expected to have a range of different investments. However, the fund manager has significant flexibility over what to invest in. There is no minimum or maximum requirement for investment in company shares (equities) and there is scope for funds to have a high proportion of shares.

## Institutional Investor

An institutional investor is an entity that trades in large quantities, investing on behalf of its members.

## IA Sector

As there are numerous funds in the market available from different ACDs, the Investment Association (“IA”) provides a list of sectors as a way of dividing these funds into broad groups. Investors can use sectors to compare similar funds’ performance and charges.

## Investment Manager

The company or individual to whom the ACD delegates the responsibility for deciding how to invest the money in the Fund’s assets.

## Ongoing Charge Figures (“OCF”)

Represents the total costs of investing in the Fund, which includes the Annual Management Charge (“AMC”) and other charges for services such as keeping a register of investors, calculating the price of the Fund’s units or shares and keeping the Fund’s assets safe.



# Glossary continued

## Performance

The profit or loss derived from an investment in comparison to its benchmark.

## Quality

Quality is defined by reviewing Quality of Service and Comparable services. The assessment looks at two assessment criteria separately to define value:

1. Quality of Service: the range and quality of services provided to investors.
2. Comparable services: assesses the fair treatment of investors in the Fund. This looks at the investment criteria at share class level within the Fund.

## Retail Investor

Is an individual who purchases shares for their own personal account rather than for an organisation. They also typically trade in much smaller quantities.

## Share Class

A fund can have several share classes which can have different characteristics and/or charging structures, reflecting the type of investor that would typically buy them.

## Time Period

It's a unit of measurement used to categorize a length of time.

## Total Charge Limit

Represents the total amount of all costs that may be charged to and directly borne by the Fund and, therefore, sets out for investors the total costs of their investment in the Fund. It includes the Annual Management Charge, other charges for services and fund expenses, including transaction costs.